

COMMITTEE ON GOVERNMENT REFORM

TOM DAVIS, CHAIRMAN



MEDIA ADVISORY

For Immediate Release
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Government Reform to Consider **Postal Reform, Energy Policy Legislation**

What: Government Reform Committee Business Meeting

When: WEDNESDAY, APRIL 13, 2005, 10:00 A.M.

Where: ROOM 2154, RAYBURN HOUSE OFFICE BUILDING

Background:

The Government Reform Committee will hold a business meeting to mark up the following:

H.R. 22, the "Postal Accountability and Enhancement Act"

The United States Postal Service (USPS) processes and delivers over 200 billion pieces of mail to more than 130 million households and businesses in the United States each year. The mission of the USPS is being challenged by a variety of factors including decreasing volume, insufficient revenue, mounting debts, and electronic communications alternatives such as Internet advertising, electronic bill payments, emails and faxes. The Postal Service is the center of a \$900 billion industry employing 9 million workers nationwide.

In January, the Comptroller General maintained the Postal Service's long term outlook on its list of high risk areas, stating that "comprehensive postal reform is urgently needed. The Postal Service's financial viability is at risk because its business model -- which relies on mail volume growth to cover the costs of its expanding delivery network -- is not aligned with 21st century realities."

The “Postal Accountability and Enhancement Act” builds upon the recommendations made by the President’s Commission on the U.S. Postal Service and affirmatively responds to all of the Administration’s five principles for postal reform. The legislation creates a modern system of rate regulation, establishes fair competition rules and a powerful new regulator, addresses the Postal Service’s universal service obligation and the scope of the mail monopoly, and institutes improvements to the collective bargaining process.

The objective of the bill is to position the Postal Service to operate in a more business-like manner. To achieve this goal, the system must be responsive to market considerations and must provide clear incentives for postal management and the Postal Service as an institution. The Postal Service would no longer operate under a break-even mandate. By maximizing gains and minimizing costs, the Postal Service could generate earnings that would be retained, and which could be distributed as incentives to management as well as employees through collective bargaining. In the same way, losses could not be recovered by increasing rates beyond specific parameters without regulatory approval.

On April 8, 2005 the Postal Service filed a request with the Postal Rate Commission for an across-the-board rate increase of 5.4 percent, or 2 cents on a first class stamp.¹ According to the Postal Service, this rate increase is only necessary to meet the escrow requirement of Public Law 108-18, the Postal Civil Service Retirement System Funding Reform Act of 2003. The Postal Accountability and Enhancement Act eliminates the P.L. 108-18 escrow requirement, which should substantially mitigate the impact of this rate increase.

H.R. 1533, the “Federal Energy Management Improvement Act”

As the House prepares to consider comprehensive energy policy legislation later this Spring, committees with jurisdiction over federal energy policy have been tasked with marking up the relevant energy policy provisions within their jurisdiction, which will form the basis of the comprehensive energy bill (H.R. 6). The Government Reform Committee has jurisdiction over general government management matters, federal procurement policy and civil service policy, all of which play a role in energy policy.

Chairman Davis and Ranking Member Waxman have identified the provisions that Government Reform has jurisdiction over in the draft energy policy legislation that is currently being considered by the Energy and Commerce Committee, and introduced them in a standalone bill, H.R. 1533.

The energy policy provisions that fall within this Committee’s jurisdiction deal with the following issues:

¹ Postal Rate Commission Docket No. R2005-1, “Postal Rate and Fee Changes Pursuant to Public Law 108-18.”

- the procurement of energy efficient products and services by the federal government, including the authority to contract for energy-related research and development;
- the total annual consumption of energy by the federal government;
- general employment matters pertaining to new federal positions, annuity computations and whistleblower protections available to federal employees;
- the fuel efficiency and use of alternative fuels by the federal fleet of automobiles; and
- reporting requirements regarding improved efficiencies through telecommuting policies.

H.R. 504, to designate the facility of the United States Postal Service located at 4960 West Washington Boulevard in Los Angeles, California, as the “Ray Charles Post Office Building.”

H.R. 1001, to designate the facility of the United States Postal Service located at 301 South Heatherwilde Boulevard in Pflugerville, Texas, as the “Sergeant Byron W. Norwood Post Office Building.”

H.R. 1072, to designate the facility of the United States Postal Service located at 151 West End Street in Goliad, Texas, as the “Judge Emilio Vargas Post Office Building.”

H.R. 1082, to designate the facility of the United States Postal Service located at 120 East Illinois Avenue in Vinita, Oklahoma, as the “Francis C. Goodpaster Post Office Building.”

H.R. 1236, to designate the facility of the United States Postal Service located at 750 4th Street in Sparks, Nevada, as the “Mayor Tony Armstrong Memorial Post Office.”

H.R. 1524, to designate the facility of the United States Postal Service located at 12433 Antioch Road in Overland Park, Kansas, as the “Ed Eilert Post Office Building.”

H.R. ____, to designate the facility of the United States Postal Service located at 695 Pleasant Street in New Bedford, Massachusetts, as the “Honorable Judge George N. Leighton Post Office Building.”

H. Con. Res. ____, a bill to recognize a National Week of Hope on commemoration of the 10-year anniversary of the terrorist bombing in Oklahoma City.

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